Withdrawal of budgetary support to Khadi and Village Industries

1533. SHRI H. HANUMANTHAPPA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Government propose to withdraw budgetary support to Khadi and Village Industries Sector thereby throwing lakhs of workers out of the industry; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO & RURAL INDUSTRIES) AND THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. J. KURIEN): (a) and (b) There is no such proposal with the Government to withdraw budgetary support to Khadi and Village Industries Sector. The Plan allocation to this Sector during the last three years as well as the proposed allocation for the current financial year are given below:—

Plan allocation to KVI Sector

(Rs. in crores)

1989-90 (Actual)	1990-91 (Actual)	1991-92 (Actual)	1992-93 (Proposed)
175·00	186·00	193·00	191·00

Thus it may be seen that the Government is according priority to KVI Sector and is providing adequate budgetary support to this Sector.

Ignorance of PSU's by Southern States

1534. SHRI SUKOMAL SEN: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that PSUs are being ignored by Southern State Governments;

(b) whether Government's of Tamil Nadu and Karnataka had favoured private sector units at the cost of PSU in matter of awarding contracts, despite submitting lowest bid; and

(c) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY AND DEPARTMENT OF PUBLIC ENTERPRISES) (SHRI P. K. THUNGON): (a) No, Sir.

(b) and (c) Briefly the position is as follows:

I. *Package I & II of the Coal Handling Plant of North Madras Thermal Power Station of TNSEB against global tender.*

Out of the 10 offers received by the Project Authorities with reference to the above project, MAMC was one of them. It is understood that first three lowest offers were short-listed by the Project Authorities in which MAMC was L-1. On a reference from the Department of Heavy Industry for awarding the above project in favour of MAMC, the State Government had observed that MAMC quoted liquidated damages at 0.5 per cent per week subject to a maximum of 5 per cent as against requirement of 0.1 per cent per day to a maximum of 10 per cent in the specification. When MAMC offered to provide such a clause as per ADB's specification, the ADB did not agree to this proposal, since the acceptance of MAMC was considered to be a post tender offer. Hence State Government's efforts to get the approval of ADB for placing the order on MAMC for this project was not successful.

II. *Package I Group C of Coal Handling Plant for Raichur TPS Unit—4 1x210 MW, Spec. No. G-94-C-563—II aided by OCF, Japan.*

MAMC submitted an offer in May, 1991 against global bid invited by Karnataka Power Corporation Ltd.,